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UNITED STATES ARMY MATERIEL COMMAND
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PROCUREMENT

AMC PRODUCTION-BASE SUPPORT PROGRAM

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1. Purpose. This regulation prescribes policies, responsibilities, and procedures for planning, programing, executing, and reporting the U.S. Army Materiel Command (AMC) Procurement of Equipment and Missiles, Army (PEMA) Production-Base Support program.

2. Scope. a. This regulation applies to Headquarters, AMC; AMC major subordinate commands (including subordinate installations and activities); project managers; and separate installations and activities reporting directly to Headquarters, AMC.

b. The provisions of this regulation apply to all PEMA-financed effort defined as production-base support (4900) in AR 37-100. The funding of production-base support effort with funds for the procurement of PEMA hardware, as is the case for aircraft and missiles, does not negate the requirement for compliance with this regulation.

*This regulation supersedes AMCR 715-33, 28 February 1963; and Headquarters, AMC, letter, AMCPP-PI, 28 June 1963, subject: Production Base Program Monthly Report, RCS LOG-35 (R3).

RETURN TO GOV. DOCS. CLERK

3. General. a. The effectiveness of this program depends upon the ability of the major subordinate commands, project managers, and installations and activities reporting directly to Headquarters, AMC, to justify beyond reasonable doubt the essentiality for the Production-Base Support program projects within the time frames specified in this regulation.

b. The AMC Production-Base Support program, because of its potential effect on the Government's ability to procure competitively and in a timely manner, receives considerable management attention at all command levels of the Department of Defense (DOD). No individual project, regardless of cost, can be initiated prior to obtaining program approval from the Deputy Chief of Staff for Logistics (DCSLOG) or the Assistant Secretary of the Army for Installations and Logistics (ASA(I&L)). Even after program approval is given, it is necessary to obtain project (scope of work) approval from the ASA(I&L) or DOD on all but those projects which can be approved within AMC under delegated authority.

c. These high level program and project controls make it essential that program and project planning, cost estimating, and documentation be complete and timely. This action is necessary in order that program execution may effectively support the Army Materiel Plan (AMP) and the DA Five Year Force Structure and Financial Program, and to assure satisfying annual PEMA program obligational targets.

d. As each annual program progresses toward approval and execution, there are requirements for changes therein. New projects must be added and others must be delayed or deleted. The scope of work and costs of other projects may change. For these reasons the total AMC Production-Base Support program and each individual project in that program are subject to change at any time. Thus, it is essential that each AMC level of command allocate adequate effort to this program to assure effective execution. It is also necessary that each AMC level of command maintain a continuing priority list of projects for the current and budget program years.

e. Planning, programing, budgeting, execution, and reporting progress in the AMC Production-Base Support program is a continuing cycle which begins with the identification of funding requirements in the AMP. The requirements are further identified in the Production-Base Support Program Data Report (RCS CSGLD-1123) which reflects the prior, current, target (budget), and target + 1 year projects in support of the program.

4. Responsibilities. a. The Director of Procurement and Production, AMC, is the program director for the AMC Production-Base Support program and is responsible for the issuance of the AMC policies and procedures relating to staffing and control of the entire program, the review of project requirements for conformance with established criteria, and the granting of project approvals as set forth in AMC Delegation of Authority 20-62.

b. The Director of Installations and Services, AMC, has staff responsibility for that part of the program relating to facility construction requirements and support furnished by the Corps of Engineers. This responsibility includes the issuance of AMC construction policies and procedures, the review of projects containing construction for conformance with established criteria, and coordination with Department of the Army (DA) and the Corps of Engineers on all matters relating to Corps of Engineers support.

c. The Director of Materiel Readiness, AMC, has staff responsibility for the (AMP) and the release of the approved PEMA program to the field. This responsibility includes release of the approved Production-Base Support program and issuance of policies and procedures for the inclusion of data for this program in the AMP.

d. Major subordinate commands, project managers, and installations and activities reporting directly to Headquarters, AMC, are the managers of that portion of the AMC Production-Base Support program pertaining to the hardware for which they are responsible. These responsibilities include all phases of planning, programing, budgeting, execution, reporting and, in the case of the major subordinate commands, the granting of project approval in accordance with AMC Delegation of Authority 20-62.

e. The U.S. Army Production Equipment Agency (PEQUA), under control of the Director of Procurement and Production, AMC, serves as the central point of contact for all elements of AMC in providing technical and engineering assistance and consultative services in the management of the AMC Plant Equipment Modernization Program, the AMC Manufacturing Technology Program, and AMC plant equipment.

5. Policies. a. AMC will limit the Production-Base Support program to those projects which:

- (1) Are essential to the procurement and production of PEMA hardware.
- (2) Are essential to maintaining or achieving the minimum production base defined in appendix II.
- (3) Will substantially increase the ability or efficiency of AMC to perform its PEMA procurement and production mission.

b. Comprehensive and penetrating reviews of Production-Base Support program project requests will be conducted at all levels of AMC. The reviews will be directed toward assuring the submission of well-defined projects fully compatible with the policies set forth in this regulation which adequately portray:

(1) The current and projected requirements which the projects are to support, the source of requirements, and their degree of firmness.

(2) The effort or facilities requested as being within the scope of work defined in AR 37-100.

(3) The specific objectives, products, or levels of accomplishment to be met.

(4) That the effort or facilities requested do not duplicate knowledge or facilities available at commercial or other Government agencies.

(5) The specific Government advantages or savings to be achieved.

(6) The inability or unwillingness of private enterprise to fund such effort or facilities.

c. Production-Base Support program documents will be classified in accordance with security directives. Project justification, correspondence, and reports containing any statement of the nations' total production capability to produce munitions of war (i.e., purely military items) are considered to be, as a minimum, CONFIDENTIAL defense information.

6. Procedures. Specific policies and procedures relating to the Production-Base Support program are set forth in the appendixes.

7. References. a. AR 37-40.

b. AMC Delegation of Authority 20-62.

Appendix I. DEFINITIONS

1. Active base package. The idle portion of production equipment located in an active production facility when such equipment is specifically retained to:
 - a. Provide production acceleration capability in the event of emergency, or
 - b. Be used following a changeover to a new or modified production item.
2. Active plant equipment. An item of plant equipment is considered active for purposes of retention as long as it is required to support the production or maintenance or research, development, and test assignment for which it was provided.
3. Advance detail planning. The preparation of empirical construction cost estimates, single line sketches, and outline specifications approximating 5 percent of final design.
4. Budget year program (budget year). That program, on an individual project basis, planned for execution in the fiscal year subsequent to the current fiscal year.
5. Budget year plus one program. That program, on an individual project basis, planned for execution two fiscal years subsequent to the current fiscal year.
6. Code A items. Line items of materiel which have been type classified as adopted type.
7. Code B items. Line items of materiel which have not been type classified as adopted type.
8. Construction. The erection, installation, or assembly of a new facility; the addition, expansion, extension, alteration, conversion, or replacement of an existing facility; or the relocation of a facility from one installation to another. Includes equipment installed and made a part of such facilities, and related site preparation, excavation, filling, and landscaping, or other land improvements.
9. DOD General Reserve. Industrial plant equipment held in storage to support projected DOD operational and mobilization requirements.
10. Expansion. The addition or extension of buildings, structures, utilities plants, and systems, or installed nonseverable equipment, or the addition of additional production equipment, which either creates new or augments existing capacity. This capacity can be for research and development, maintenance, or production activities.

11. Facilities projects. Projects involving construction and/or industrial equipment for purposes of expansion or modernization.
12. Final engineering design. The completion of design for construction projects after project request approval has been received.
13. Firm cost estimates. Construction cost estimates based on a preliminary engineering design to support a request for approval of a facilities project.
14. General purpose test equipment. That test equipment having more than one application and whose usefulness, without the need for substantial modification thereof, is not limited to a particular research and development project or production of a particular item. General purpose test equipment is often used as a component part of a special test equipment unit. Such test equipment is normally commercially available and listed in a manufacturer's catalog.
15. Industrial facility. Property (other than material, special tooling, and special test equipment), including real property and rights therein, buildings, structures, improvements and machine tools, test equipment, automotive equipment, and other related production equipment and plant equipment, for production maintenance, research, development, and tests. The term includes all nonseverable, brick and mortar type test installations, whether general or special purpose, erected independently of other structures or added to or built into existing structures or buildings.
16. Maintenance facilities. Those fixed installations, such as depots, which support organizational maintenance and intermediate maintenance activities through the availability of more extensive shop facilities and equipment, and personnel of higher technical skill than are available at lower maintenance levels. The following are some of the types of maintenance normally provided by these shops; inspection, test, repair, modification, alteration, modernization, conversion, overhaul, reclamation, or rebuild of parts, assemblies, subassemblies, components, and end items.
17. Modernization. This broad term includes replacement as defined below as well as the acquisition, by purchase or selection from the idle inventory, of equipment to replace items so worn by use they are inoperable or are incapable of holding required tolerances and are not economically reparable. Acquisition by purchase to replace inactive plant equipment need not be supported by DD Forms 1106 but must be fully justified by other means.

18. New construction. That construction which involves the erection of a new structure or adding to the outside dimensions of an existing structure.
19. Non-production equipment. That equipment not reported to the Defense Industrial Plant Equipment Center (DIPEC).
20. Package plant equipment. A complement of Government-owned equipment which is assigned to a specific program and which, either as an entirety or when combined with other equipment in specific contractor or other Government plants will be capable of producing a military end item or component at a specific rate. This equipment may be stored in contractor plants, in separate Government-owned plants, or in central Government storage. Categories are:
 - a. At or near site of planned mobilization use.
 - b. In central Government storage (as a package unit).
21. Plant equipment, production equipment, or industrial plant equipment. These are considered interchangeable terms and refer to equipment reported to DIPEC.
22. Preliminary design. The design necessary (approximately 60 percent of final) to prepare firm construction cost estimates using service-approved designs, plans, and specifications for facilities projects.
23. Preliminary support. The review, by the Corps of Engineers, of advanced detailed plans prepared by AMC installations, for adherence to Corps of Engineers standards and validity of the accompanying cost empirical estimate.
24. Replacement. The acquisition, by purchase, of new equipment to replace items in use with more modern machines as a means of reducing production costs by increased efficiency. Each such replacement must be supported by an analysis of costs on DD Form 1106.
25. Severable equipment. An item capable of being removed from one location and utilized at another without substantial loss of value thereto, or to the premises from which it is taken.
26. Special test equipment. Mechanical, hydraulic, electrical, electronic, or other equipment which is of such a specialized nature that, without substantial modification or alteration, its use is limited to testing in the production of particular supplies or parts thereof, or in performance of particular services. The term does not include:

- a. Buildings, nonseverable structures, general or special machine tools, or similar capital items.
 - b. Consumable test equipment.
 - c. General purpose test equipment.
27. Standby line. A complete production unit or line of installed production equipment (to include accessories) maintained intact in reserve condition which, when activated as a unit, is capable of producing items at specific rates.

Appendix II

INDUSTRIAL FACILITY EXPANSION AND REPLACEMENT POLICY

1. Purpose. This appendix expresses the DOD and DA policies governing the maintenance and provision of industrial facilities.

2. General. a. All elements of AMC will continually review operating policies and procedures to assure that the efforts and activities of AMC implement and support the policies in paragraph 3.

b. Projects for the provision of industrial facilities will be carefully reviewed before submission to assure that:

(1) They clearly portray the actions taken by AMC to determine the need for and essentiality of such facilities.

(2) The actions of AMC fully support the policies in paragraph 3.

3. Policies. a. DOD/DA will support a national industrial base responsive to peacetime and wartime requirements. The industrial base must be continually examined to assure its responsiveness to the rapidly changing weapons technology and continuous demands to improve U.S. defense posture. The Government-owned production segment of this industrial base will not exceed the minimum needs over and above the available contractor-owned capacity necessary to meet approved production requirements. The maintenance segment of this Government-owned industrial base will be the minimum necessary to meet approved workload requirements on mission-essential weapons and equipment. The industrial base, consisting of both Government-owned and contractor-owned facilities, will be considered as that necessary to support the Army approved and general force levels.

b. Where plant expansion is required to perform contracts, it will normally be accomplished through an increase in contractor-owned facilities. Provision of new Government industrial facilities to a contractor will be held to the absolute minimum. Guidelines are prescribed in Section III, ASPR, for use in the negotiation of profit and fee. The weight ranges established in the guidelines are designed to encourage contractor, rather than Government investment in facilities.

c. Government-owned facilities will be continuously reviewed by all elements to assure that they are put to maximum economic use to minimize costs, increase productivity, and lessen the need for providing additional facilities.

d. Government-owned facilities, as soon as they become excess to the missions for which they were acquired, will be declared excess, screened for reutilization, and when determined to be surplus will be disposed of in accordance with contract provisions or established procedures, as applicable.

e. All elements will establish and maintain a continuing program to assure that general purpose and nonseverable test equipment, all of which are facilities items, are not acquired for Government account, except where no practical alternative exists, as prescribed in this regulation and Section XIII, ASPR. Special test equipment may be acquired for Government account consistent with the policies established in Section XIII, ASPR, for acquisition of special tooling.

f. Maximum efforts at screening and redistribution of idle and severable test equipment will be made to avoid duplicate investment.

g. Where facilities items, including general purpose and nonseverable test equipment, are authorized to be procured for Government account under the criteria prescribed herein, they will not be acquired under supply or research and development contracts except in the limited circumstances described in Sections III, XIII, and XV, ASPR. All elements will screen property items proposed for purchase under such contracts, including special tooling, and certify that no facilities items are included, except where properly identified as facilities and then only as specifically authorized under ASPR. These latter items are to be acquired under facilities contracts as prescribed in ASPR and identified, classified, and accounted for as industrial facilities.

h. Special purpose test equipment, including its general purpose components, may be procured under supply or research and development contracts or under facilities contracts. Facility project approvals under this regulation are not required for special test equipment, or its general purpose components, except for the nonseverable test equipment of the brick and mortar type. Notwithstanding this policy, general multipurpose components of special purpose test equipment, having an acquisition cost of \$500 or more and which may be removed from composite special purpose test equipment without substantial loss of value will be screened for availability of such components and a Certificate of Non-Availability (DD Form 1419) obtained from DIPEC before authorizing purchase of such special purpose test equipment. Promptly upon acquisition of special purpose test equipment, the general or multipurpose components will be identified and reported on a line item basis to the DIPEC under the same procedures as prescribed for facilities reporting. Thereafter, such items will be subject to the same regulations and provisions of ASPR as cover facilities and their management, contract administration, determination of idle or excess status, disposition screening, redistribution, and disposal.

i. The policy of DOD on furnishing facilities required for the performance of Government contracts is stated in ASPR 13-102.3.

j. The conditions under which available Government facilities may be provided for the performance of Government contracts are stated in ASPR 13-102.3.

k. When the production capacity of a Government-owned plant must remain available for defense production, but Government ownership is no longer necessary, the facility should be reported to the General Services Administration (GSA) for sale subject to the restriction that its capability for defense production be maintained. When the plant is active, the sale will be arranged in a manner that will minimize disruption of current production. If a sale is not consummated, the reporting element will determine with GSA the most suitable arrangement for continued Government management. Those facilities retained will, wherever practicable, be put to productive uses, by leasing or use by another agency, in order to assure their upkeep under the most favorable and economic conditions.

l. Construction by the Government of buildings or other nonseverable facilities on privately-owned land is to be severely limited, along with the construction of additional facilities on Government-owned land which are usable only for augmentation or support of a privately-owned facility. Whenever nonseverable facilities are provided, the Government's investment will be protected by suitable contractual arrangements, consistent with ASPR.

m. Construction at Government-owned plants will be undertaken only after a complete review of the mission of the facilities and the duration of the applicable program.

n. Construction at Government-owned, Government-operated facilities will be financed under production-base support only when clearly required to support PEMA-procured production and production engineering programs. Construction at Government-owned, Government-operated facilities for purposes other than to support PEMA-procured production and production engineering will be programed, budgeted, and financed as military construction projects.

o. Metalworking equipment and other plant equipment will be replaced when it can be justified on economic grounds. This policy does not apply to facility expansion projects designed primarily to increase the productive capacity of a facility in which the equipment is located. Inefficient plant equipment will be replaced whenever savings will accrue and Government costs are reduced. Basically, contractors will be encouraged to replace old, inefficient Government tools with modern, more efficient, privately-owned tools. The weighted guidelines for negotiation of profit or fee (Section III, ASPR) encourages the use of contractor, rather than Government tools. Elements having control of plant equipment will maintain a program of replacement of active equipment required to support current programs. As a general guideline for annual budget requests and the AMC Five Year Production-Base Support program, 5 percent of the value of the inventory of production equipment in current use will be considered as a valid level for programming annual replacement of the active industrial equipment due to obsolescence, overage, and general updating. This criterion is for planning and is not a restriction on individual plant programming. The basic acquisition cost of inventory used for computing modernization in the annual budget request and the AMC Five Year Production-Base Support program will not include inactive production equipment or research and development equipment. Anticipated reductions in major weapons contracts will be deducted in determining the active inventory base. The following guidance will be used in executing the final replacement action:

(1) Each proposed industrial equipment replacement must be supported by a DD Form 1106 which indicates that the anticipated savings, before capital recovery, will amortize the installed cost of the replacement equipment within 5 years.

(2) Proposed replacement whose installed cost before capital recovery cannot reasonably be forecast for 100 percent amortization within 5 years through active use in PEMA production are to be considered an exception and will require special justification to DCSLOG to show why such exceptions should be approved.

(3) All elements will be expected to review on an after-the-fact basis the justification for their inclusion in the replacement program by keeping records of the resultant increased productivity and savings from such equipment replacement. Such records can serve as a guide in reaching future decisions on replacement in similar situations.

p. Before awarding contracts requiring Government facilities, all elements will:

(1) Carry out a thorough search for open capacity, including use of existing subcontracting sources, to insure maximum use of available resources.

(2) Consider the possibility of joint usage of another Government-owned facility.

(3) Obtain prices in bids which are based upon use of private facilities or which adjust the price when use of in-place Government facilities planned.

(4) Consider the advisability of contractor-leasing of privately-owned facilities.

q. All elements will make maximum use of DOD-owned stocks of idle equipment through the submission of screening requests to DIPEC in accordance with published procedures. Proposals to acquire new industrial plant equipment will, if approved, require all elements to obtain a Certificate of Non-availability (DD Form 1419) from DIPEC before actual purchase.

r. Industrial plant equipment proposed for replacement will be rated on an AMC-wide basis in order to arrive at recommended priorities for funding.

s. Funds programed for replacement (DD Form 1106) of industrial plant equipment will be utilized only for replacement of equipment in current use and only after a determination has been made that a suitable substitute is not available in the DIPEC inventory.

Appendix III

CHECK LIST OF INFORMATION REQUIRED FOR OSD REVIEW
OF INDUSTRIAL FACILITIES EXPANSION PROPOSALS

Facilities project requests will be reviewed before submission to assure that the following information is included when applicable.

1. Name of the contractor, location of proposed facility, and end item to be produced.
2. Compare nature and capacity of Government facilities to be provided with nature and capacity of contractors' facilities and/or existing Government facilities in the installation.
3. If the requested facilities are necessary in order to obtain contract performance, explain why.
4. Will provision of Government-owned facilities result in lower cost to the Government of the items produced? If so, explain why and indicate how much, taking into consideration factors such as transportation costs, reactivation costs, etc.
5. Basis of need:
 - a. Reference to approved R&D or procurement programs from which the need for facilities directly arises.
 - (1) Relationship of this project, including phasing, to other elements of the same overall weapon system program, an estimate of future industrial facilities requirements for the procurement program involved, and a statement as to how the procuring activity proposes to meet these requirements.
 - b. With reference to end items or components:
 - (1) Specify usage: Whether for basic research, research and development, test model, tests in support of production or maintenance, manufacture, or rebuild for inventory.
 - (2) If for manufacture or rebuild:
 - (a) The total number and cost of items to be produced.

- (b) Present production rates for this end item expressed in units per month and number of shifts.
- (c) Planned production schedule expressed in units per month and number of shifts.
- (d) Current capability expressed in units per month.
- (e) Planned production capability as a result of this facility's proposal.
- (f) Number of hours per week the expanded facilities will be operated.
- (g) Estimated mobilization production rate of facility.
- (h) What part of the expanded capacity will be used for other Services or agencies and for what specific items?
- (i) Approximate value of procurement contract for which facilities are being requested.

c. With respect to real property and equipment:

- (1) Is new construction on Government-owned land, or leased land, or privately-owned land, and reasons why so located?
- (2) To what extent do proposed facilities anticipate future technical developments?
- (3) Does the proposal constitute a complete and self-supporting facility? If not, what elements are not included herein, and how will they be provided?
- (4) Where nonseverable Government-owned facilities will be constructed on leased or privately-owned land, state the steps taken to insure compliance with applicable regulations and statutes.

6. Screening of existing facilities:

- a. Has list of idle reserve plants of all three departments been screened? List plants considered and reason for rejection.

- b. Have industrial equipment inventories been screened?
 - c. Can additional production be obtained with existing facilities, through multiple-shift operations?
 - d. With respect to research, development, or test facilities, are Government-owned facilities available, and if so, why are they not being used?
7. The estimated cost, and indication of method of computation for each category, showing total for each of the following categories:
- a. Land and land improvements.
 - b. Buildings, structures, additions, alterations.
 - c. Machinery and equipment, materials handling equipment, instruments, and special equipment.
 - d. Special test equipment, including a separate breakout of multipurpose components having an acquisition cost of \$500 or more.
 - e. Installation costs of equipment.
 - f. Indirect cost; specify, such as overhead, profits, etc.
 - g. Architectural and engineering costs.
 - h. Grand total.
8. Funding requirements:
- What are the funding requirements for:
- a. Current year.
 - b. Future years, with estimated amounts per year for total project.
9. Outline any special terms or conditions under which the industrial facilities will be constructed or operated.
10. State the efforts made by the procuring activity to secure the required industrial capacity by means other than direct Government facility support. Explain why contractor will not purchase or lease

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necessary facilities. Include any efforts of the proposed contractor to reduce the requirements by use of facilities at other plants (Government or private) and by maximum use of subcontractors. The procuring activity will certify that all known potential sources of supply for the proposed item or component for which Government facility support is needed have been canvassed.

Appendix IV

PROGRAM/PROJECT APPROVAL, REVIEW, SUBMISSION, AND EXECUTION

1. Program and project approval. Three elements (program approval, project approval, and funds) must be available before work on any project can be started.

a. Program approval. Authority for the issuance of program approval is retained by DOD/DA and is furnished annually for each current year project and for prior year projects requiring carry-over approval.

b. Project approval. Authority for the issuance of project approval rests with DOD/DA; Headquarters, AMC; and the major subordinate commands, as specified by AMC Delegation of Authority 20-62. All current year projects must receive DA program approval prior to or concurrently with the issuance of project approval.

c. Current year projects having program approval but lacking project approval at the end of the current fiscal year must be resubmitted as new projects in the next year's program.

d. The annual one-time (carry-on) report, Review of PEMA Programs for FY __, provides the basis by which all elements certify to Headquarters, AMC, and to DA, the need for carry-over in the Production-Base Support program. Pending the transmission and approval of this report, it may be necessary to justify the need for carry-over on an individual line item basis.

2. Review of program/project requests before submission. a. The major subordinate commands and project managers reporting directly to Headquarters, AMC, will establish internal review policies and procedures directed toward assuring the timely submission of projects which:

(1) Are in complete conformance with the policies and procedures set forth in this regulation.

(2) Will provide a clear determination and statement of AMC's position with respect to such projects.

b. Three (3) copies of the major subordinate commands internal program/project review policies and procedures will be forwarded to the Commanding General, AMC, ATTN: AMCPP-PI, within 60 days after the date of this regulation.

3. Submission of projects and project changes for approval.

a. Program/project actions initiated by project managers reporting to the commanding general of a major subordinate command will be processed through the major subordinate command.

b. Transmittal letters forwarding projects for approval will be signed as prescribed by inclosure 1 to this appendix.

c. Projects and project changes will be submitted in the number of copies prescribed by inclosure 2 to this appendix.

d. Project requests and project changes will be submitted to the appropriate commodity/procurement support divisions of the Directorate of Procurement and Production, Headquarters, AMC.

e. Projects in support of budget and apportionment.

follows: (1) Projects will be forwarded to reach Headquarters, AMC, as

(a) Budget submission: 20 August each year.

(b) Apportionment submission: 20 April each year.

(2) The transmittal letter, will, as a minimum:

(a) Identify the total program being requested.

(b) Discuss the results and observations of the command review.

(c) Highlight special high priority projects

(d) Indicate the number and dollar value of projects submitted in support of apportionment which should qualify for both program and project approval.

(e) For each Production-Base Support program facility project supported by Military Construction, Army (MCA), project, identify and explain both in the letter or by added inclosure. When there are no supporting MCA projects, the forwarding letter should so state.

(3) A shopping list will accompany the forwarding letter. It will summarize the submission and be prepared as prescribed by inclosure 3 to this appendix.

f. Submission of current fiscal year individual projects for approval.
The following instructions apply to all late starter projects and projects re-submitted because of inadequacy of data submitted at the time of apportionment.

(1) The transmittal letters will as a minimum:

- (a) Specify the command's position with respect to the project.
- (b) Discuss the validity of the project cost breakout.
- (c) Discuss the advantages or disadvantages of funding the effort by separate project as opposed to utilization of incentive features in hardware contracts, etc.

(d) Discuss the likelihood of achieving the level of accomplishment or objective specified by the project.

(e) Discuss the appropriateness of PEMA funding as opposed to funding by other sources.

(f) Discuss the firmness of anticipated Government benefits or savings to be derived from the project.

(g) Contain a statement recommending program and/or project approval.

g. Submission of changes in current FY project approved projects. The following instructions apply to all approved projects requiring approval of increased funding and/or changes in the scope of work.

(1) Completely revised projects will be submitted.

(2) When increased funding is involved, the cost breakout on the project exhibit will be revised to identify the previously approved cost breakout and revised cost breakout resulting from the requested increase. The Remarks section of the exhibit will contain an explanation which identifies, explains, and justifies the increase.

(3) When change in scope of work is involved, the revised exhibit will reflect the new scope of work. The Remarks section in the exhibit will identify the previous scope of work, the specific changes made in the scope of work, and justification for the change.

(4) Transmittal letters will as a minimum:

- (a) Discuss the command's position with respect to the necessity and validity of the changes.

- (b) Contain a statement recommending approval.

h. Submission of changes in prior year projects for approval. The following instructions apply to all approved projects requiring approval of increased funding and/or changes in the scope of work.

- (1) The transmittal letters will as a minimum:

- (a) Indicate the currently approved amount for the prior program year project, and the new value for the prior program year with the requested increase (these amounts to be the sum of AMC and Corps of Engineers portions of the project).

- (b) Indicate the need for the increase. Where the increase is for payment of a claim, the letter should indicate that the claim is fair and just and that payment has been approved by the Contracting Officer, Appeals Board, or Army Audit Agency.

- (c) Contain a statement of the availability or nonavailability of prior fiscal year PEMA deobligated funds for financing the requested prior year increase.

- (2) Justification inclosed with the letter must be as follows:

- (a) If the increase is due to a change in the scope of work approved for the prior year, or to underestimated cost for the approved work, the inclosure must be a revised project request.

- (b) If the increase is due to necessity for claim payment, the inclosure must be a project cost revision showing the details of increases and decreases by cost element, to include a revised breakout of AMC and Corps of Engineers cost elements where applicable. For the second and all succeeding claims against a prior program year project, the inclosure will be a revised project request.

- (3) The major subordinate commands will request district engineers to provide the following information for prior year changes:

- (a) Statement of availability of PEMA prior year deobligations within the Chief of Engineers complex to finance the increase, if such information is not otherwise available.

- (b) Tabular cost breakdown covering major elements of work assigned to district engineers by a production-base support project for a specific program year, indicating adjustments which have resulted in a revised

Chief of Engineers cost estimate for that program year. Should the district engineer require assistance in providing such cost breakdown, the AMC installation involved will be directed to provide this assistance.

4. Execution. a. Projects must be planned and programed at a level to assure closeout within two fiscal years after the end of the fiscal year in which approved.

b. New projects will not be initiated to cover cost increases to previously approved projects.

c. Release of approved program and adjustments therein will be by AMC Form 1006, except as prescribed for prior year carryover. Instructions pertaining to adjustments in prior year carryover are contained in appendix VII.

d. Project approvals granted within AMC will be in accordance with AMC Delegation of Authority 20-62.

e. Project approval documentation and the reporting of project approvals, increases, decreases, and closeouts will be in accordance with instructions contained in inclosure 4 to this appendix.

f. All changes in scope of work of projects must be submitted to Headquarters, AMC, for approval.

g. Failure to incur an obligation against an approved project by 30 June of the current program year will temporarily void the project for execution. Reinstatement of the project will be in accordance with year-end guidance furnished annually by DA and Headquarters, AMC.

h. Project approval terminates two fiscal years after the end of the program year in which received.

(1) Authority to continue work on projects not completed within the time limit must be justified. Justification will contain the appropriate exhibit heading, followed by one paragraph titled "Justification for continuation of the project." The justification, as a minimum, will include:

- (a) Amount of approved project.
- (b) Amount of expenditure.
- (c) The work accomplished.
- (d) The work remaining to be accomplished.

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(e) Explanation of why work was not accomplished within the required time frame.

(2) Justifications for continuation of the projects will be submitted during July of each year to reach Headquarters, AMC, before 1 August.

i. Forecasts and actual reporting of contract awards data relating to this program will be reported in the monthly RCS CSGLD 1083 report. For the purpose of forecasting, 6 weeks will be allowed for processing of projects by higher headquarters for approval.

REQUIRED SIGNATURES ON PROJECT ACTIONS

<u>Type Action</u>	<u>Signature</u>
Letters forwarding budget and apportionment submissions.	1(CG/DCG) 2(PM/DPM)
Transmittal letters requesting program and/or project approval of individual projects, including requests for project rejustification.	(CG/DCG) (PM/DPM)
Transmittal letters requesting approval of increased funding and/or changes in the scope of work.	(CG/DCG) (PM/DPM)
Actions involving project terminations, decreases, and closeouts.	3(PA)

- Notes.
1. Commanding general or deputy of the major subordinate commands.
 2. Project manager or deputy located at Headquarters, AMC, and reporting to the Commanding General, AMC.
 3. Principal assistants to the commanders of the major subordinate commands or project managers located at Headquarters, AMC, and reporting to the Commanding General, AMC.

(Incl. 1 to app. IV)

COPIES OF EXHIBITS AND
EXHIBIT CHANGES REQUIRED BY HEADQUARTERS, AMC

1. Exhibits in support of budget and apportionment submissions:
 - a. Missile and aircraft projects -- 30 copies.
 - b. Other projects, \$500,000 or more -- 30 copies.
 - c. Other projects less than \$500,000 -- 20 copies.
2. Exhibits in support of requests for program and/or project approval:
 - a. Current program year projects:

(1) Facilities projects for a single installation which individually or in the aggregate amount to \$1,000,000 or more -- 14 copies of exhibits for each individual project.

(2) All other projects -- 8 copies.

b. Upward adjustments or changes in scope for prior year projects -- 8 copies.

c. Rejustifications for projects 2 years old or older -- 8 copies.

3. In addition to the above, two copies of project exhibits for plant equipment modernization, manufacturing technology, and facility layaway/relayaway and/or disposal/redistribution will be forwarded to PEQUA, at the time of submission to Headquarters, AMC.

(Incl. 2 to app. IV)

FY ____ PRODUCTION-BASE SUPPORT PROGRAM SHOPPING LIST

Command: _____

Date: _____

<u>Priorities</u>	<u>Budget</u>	<u>AMC Project</u>			
<u>Category</u>	<u>All</u>	<u>Activity</u>	<u>Number</u>	<u>Project Title</u>	<u>Thous \$</u>

- A. Facilities Expansion.
- B. Facilities Modernization - Replacement.
- C. Facilities Modernization - Plant Equipment Acquisition.
- D. Facilities Alteration or Repair.
- E. Layaway/Relayaway.
- F. Plant Clearance/Disposal/Redistribution Not Involving Layaway.
- G. Advance Production Engineering In Support of Budget Plus One FY Procurement (End Items and PEMA Procured Assemblies and Components).
- H. Advance Production Engineering In Support of Procurement After Budget Plus One FY (End Items Only).

(Incl. 3 to app. IV)

<u>Priorities</u> <u>Category</u>	<u>All</u>	<u>Budget</u> <u>Activity</u>	<u>AMC Project</u> <u>Number</u>	<u>Project Title</u>	<u>Thous \$</u>
				I. <u>Advance Production Engineering for New Assemblies</u> <u>and Components To Be Procured After Budget Plus One FY.</u>	
				J. <u>Manufacturing Technology Measures.</u>	
				K. <u>Quality Assurance Measures.</u>	
				L. <u>Production Engineering To Adapt Commercial Items</u> <u>To Military Specifications.</u>	
				M. <u>Qualified Products Testing.</u>	

Instructions.

- a. List projects in order of priority within each of the categories A thru M.
List priority numbers within categories under the Priorities Category.
- b. Under "Priorities-All," designate project priorities without regard to categorization.
- c. For the apportionment submission, identify by asterisk the projects which should qualify for program and project approval.

PROJECT APPROVALS AND REPORTING
OF ACTIONS TAKEN UNDER DELEGATED AUTHORITY

1. Project approvals.

a. Notification of DA project approvals will be by return indorsement or by separate letter.

b. All AMC project approval actions taken within delegated authority will be by return indorsement or by separate letter/document. The AMC indorsements/documents will as applicable:

- (1) Identify the project title.
- (2) Identify the PEMA account code.
- (3) Identify the project number.
- (4) Identify the fiscal (program) year to which the action applies.
- (5) Specify whether the action represents a new project approval, increase, decrease, or closeout.
- (6) For project approval actions involving increases or decreases to previous project-approved projects, identify the:
 - (a) Project amount previously approved for the program year, the date of such approval, and the approving authority.
 - (b) The amount of the increase or decrease.
 - (c) The amount of project approval after the increase or decrease.
- (7) For current year projects, identify the amount of program approval, the date of such approval, and specify that the scope of the project as approved is consistent with the scope of work for which program approval was given.

(Incl. 4 to app. IV)

(8) When applicable, contain a statement that project elements involving real property not in excess of \$24,999, new construction not in excess of \$49,999, or nonseverable facilities for privately-owned plants not in excess of \$99,999, are clearly identified and adequately supported within the scope of work for which program approval was given.

(9) For projects involving replacement of industrial equipment, contain a statement that the cost of investment for each of the industrial equipment replacements to be accomplished will be amortized through anticipated savings within 5 years as indicated by the DD Forms 1106 supporting the project request.

(10) For projects involving layaway, contain a statement that the Operation and Maintenance, Army (O&M,A) funding being approved is for first year maintenance following layaway.

2. Reporting of AMC project approval actions taken in accordance with AMC Delegation of Authority 20-62 (RCS CSGLD 1127).

a. Actions involving new approvals, increases, decreases, or project closeouts will be reported to the Commanding General, AMC, ATTN: (appropriate commodity or procurement support divisions of Directorate of Procurement and Production,) by the close of business on the 5th day of each month after the month of approval. During the last quarter of each fiscal year the report will be made twice monthly to arrive at Headquarters, AMC, by the close of business on the 5th and 20th days of each month. Negative reports are required.

b. The report will be by transmittal letter signed in accordance with inclosure 1 to this appendix. Five (5) copies of the report will be transmitted.

c. The report format will be as follows:

REPORT OF APPROVALS UNDER PRODUCTION-BASE
SUPPORT DELEGATED AUTHORITY (RCS CSGLD-1127)

Command _____		Date _____	
PEMA Code	Project Number	Program Year	Project Title
			Amount (Thous \$)
			From To

A. Approvals for Current Program Year.

B. Approvals for Active Prior Year Projects.

C. Project Closeouts.

Instructions.

- Specify program year to which action taken applied.
- Indicate amount of project approval before and after action taken.
- Record all project closeouts under "C." If closeout was at approved project amount show the same amount under "From" and "To."

(Incl. 4 to app. IV)

Appendix V

PREPARATION OF PROJECT EXHIBITS

1. Purpose. This appendix sets forth instructions for preparing the following project exhibits:

a. Exhibit P-15, PEMA Provision of Industrial Facilities Justification (RCS CSGLD 1124).

b. Exhibit P-16, PEMA Production Engineering Measures Justification (RCS CSGLD 1125).

c. Exhibit P-17, PEMA Layaway/Relayaway and/or Disposal/Redistribution Justification (RCS CSGLD 1126).

2. General. a. The exhibit formats, concurred in by DA, have been revised and are effective at the time of Fiscal Year 1966 apportionment submission.

b. The revised exhibit formats and the guidance for completion of the exhibits have been developed in an effort to assist the field in the preparation of projects which will adequately portray the requirements and the necessity for such projects. The guidance cannot and does not cover every set of circumstances or conditions; however, it does endeavor to identify the more important aspects, which if adequately explained should reduce delays in obtaining program and project approval.

3. Procedures. a. All current year industrial facility project requests (Exhibit P-15) for any one facility will be cross-referenced by project number, submitted, reviewed, and approved concurrently. Wherever practicable, one annual project request should be submitted for a single Government-owned or privately-owned plant. The general categories of work or effort which such projects support are as follows:

(1) Expansion.

(a) New construction.

(b) Other construction.

(c) Industrial equipment acquisition.

(2) Modernization.

(a) Industrial equipment replacement (DD Form 1106).

(b) Industrial equipment acquisition.

(3) Alteration and Repair.

b. The following applies to facility projects involving acquisition

and/or replacement of industrial plant equipment.

(1) Procurement of equipment from private industry must be supported by a DIPEC certificate of nonavailability.

(2) Project justifications for the procurement of equipment from private industry to replace active equipment with more modern equipment will be supported by DD 1106 Forms.

(3) Project justifications for the acquisition of equipment from Government inventory (DIPEC) to replace equipment with more modern equipment need not be supported by DD Forms 1106.

(4) Project justifications for the procurement of equipment from private industry, not involving replacement, need not be supported by DD Forms 1106.

c. Guidance for the preparation of Exhibit P-15 has been developed to meet the requirements of the OSD Check List (appendix III). Completed project requests should be reviewed before submission to assure that the projects meet the OSD Check List requirements and the DOD/DA policies set forth in appendix II.

d. Projects will be prepared in accordance with the formats prescribed by inclosures 1 through 3 to this appendix. Guidance set forth in the inclosures for the preparation of each project is in parenthesis and will not be included in the project submission. Items or statements not in parenthesis will be included unless otherwise specified.

e. The discussion or statements included in each project should be concise, and to the point. General statements or opinions which cannot be substantiated by fact and minor considerations or comments which add little to the justification for the project should not be included.

EXHIBIT P-15

PEMA PROVISION OF INDUSTRIAL FACILITIES JUSTIFICATION
(RCS CSGLD-1124)

DATE _____

Appropriation: PEMA FY 19__ Program or Activity (Insert 4910.0, 4911.0, 4912.0, 4913.0, or other funding as applicable.)

Project Cost (Thousands) Project No. and Title: (Insert the AMC 5-digit project number and title as it appears or will appear in the RCS CSGLD 1123 report.)

(General guidance. Response to the items or guidance identified by asterisks should be developed to clearly reflect the actions or position of the major subordinate commands and/or project managers.)

1. Name, location, type facility, and/or contractor:

a. Type: (Enter GOGO, GOCO, or privately-owned.)

b. Name and Location: (Specify and include the plant index number contained in the register of planned producers published by ASOD(I&L), when applicable.)

2. Type and purpose of project:

a. Type: (Specify whether the project is for the modernization of plant equipment, expansion of production capability, or other construction not involving plant equipment modernization or expansion. For plant equipment modernization projects specify whether they include the replacement plant equipment by more modern equipment from Government inventory and/or by procurement of new equipment from private industry; the replacement of worn out equipment with equipment from Government inventory and/or by procurement of new equipment from private industry; and/or the acquisition of equipment which will not involve replacement. When one annual project is submitted involving two or more of the above categories of effort, list and complete the following:

Expansion		\$ _____
New Construction	(\$)	
Other Construction	(\$)	
Industrial Equipment	(\$)	
Modernization		\$ _____
Replacement (DD Form 1106)	(\$)	
Other Equipment Acquisition	(\$)	
Alteration and Repair		\$ _____
Total		\$ _____

*b. Purpose:

(1) Essential to contract performance:

(Specify whether the project is or is not essential to contract performance. If essential, explain as follows:)

((a) For contracts involving commercial producers, explain why contractor should not or will not purchase or lease necessary facilities. The explanation should include statements setting forth the degree and type of risks or burden shared by the contractor and the Government, other possible solutions (cost sharing) (added incentive features) considered, and basis for rejection.)

((b) For projects not involving commercial producers, explain why the items being produced in Government-owned installations cannot or should not be produced by private industry. The explanation should include statements highlighting the urgency and/or military uniqueness of the item; the relationship or lack of relationship to commercial items; the firmness, completeness, and complexity of the technical characteristics and/or data relating to the item; the ability or inability of private industry to economically produce the items in subsequent years; and the specific actions taken to determine the capability of private industry to produce such items.)

(2) Essential for economical production and/or attainment of the prescribed level of industrial readiness:

(Specify whether the project is or is not essential for economical production and/or attainment of the prescribed level of industrial readiness. If essential, explain. The explanation should highlight the overall condition of the current facilities

in terms of age, past usage, the types of production problems which the project will overcome, the current manufacturing processes and/or conditions, and how and to what extent the existing manufacturing processes and/or conditions will be changed by this project. When Government-owned plants are involved the discussion should be expanded to explain why the items being produced cannot or should not be produced commercially.)

*3. Current and projected mission essentiality of Government facility:

(Respond when the project provides facilities for a Government-owned installation. The explanation should be directed toward the retention criteria used when conducting the Commercial and Industrial Review Program Activity Evaluation (RCS BUDGET-1044).)

4. Item(s) supported by this project:

a. Items being produced or scheduled for production:

(Identify the specific PEMA-procured items, components, or assemblies this project supports and whether the weapon system(s) or end item(s) are code A or B.)

*b. Status of items being produced or scheduled for production:

(For projects involving code B weapon system(s) or end item(s), explain the research and development (R&D) status of such items, known problems or technical difficulties which must be resolved prior to type classification, and the projected type and date of classification as code A. For both code A and B items, specify the planned dates for contract award and first delivery, the scheduled date of availability of procurement package, and the type of procurement the package will support. For projects supporting the advance procurement of long leadtime items, components, or assemblies in support of items not yet classified as code A, identify the risks involved and explain why such risks must or should be taken.)

*5. Status of current and projected requirements.

a. Firmness of requirements:

(State whether the PEMA-procured items supported by this project are or are not supported by buy quantities in the AMP. Identify and explain any known or anticipated requirement changes which could increase, decrease, slip, or accelerate the planned yearly buy quantities of any or all items supported by this project and state the degree this project considers such changes. If there are no known or anticipated changes, so state.)

b. Current and projected total yearly requirements.

(For each PEMA-procured item, component, or assembly (which this project supports) in support of weapon system or end item buy quantities contained in the latest AMP, identify the actual and planned yearly buys for Army, other customer, and total. Project and total the yearly quantities and their dollar value commencing with the current fiscal year or the first buy year, whichever is later, and continue through the last planned buy year identified in the AMP. When more than one item is involved, identify the total planned buy under this paragraph and inclose a schedule indicating the yearly and total buys of each item.)

*6. Present and planned procurement or production activity for this facility:

- (a. Specify whether this facility is or is not the only producer for items, components, or assemblies identified in par. 5b. If there are other facilities producing or planned to produce the items, identify the portion of requirements in par. 5 to be placed on this facility. The projection should conform to the guidance contained in par. 5b.)
- (b. For projects creating new or expanded production capability list and respond to each of the below listed questions for this facility:

- (1) Present production rate expressed in units per month and number of shifts.
- (2) Planned production schedule expressed in units per month and number of shifts.
- (3) Current capability expressed in units per month.
- (4) Planned production capability as a result of this facility proposal.
- (5) Number of hours per week the expanded/new facilities will be operated.
- (6) Estimated mobilization production rate of facility, including facilities furnished by this project.
- (7) The part of the expanded capacity used to support other services or agency requirements.
- (8) Appropriate value of procurement contract for which facilities are being requested.)

(c. The data contained in par. 5 and 6 are vital to the project justification and every effort should be made to obtain and furnish such data. It is recognized that changing requirements can make such data suspect; when this is the case use installation records and/or Army

Industrial Fund (AIF) reports and indicate the prior, current, and projected volume of the facility's PEMA production sales. Follow by identifying the source data used and the firmness of such projections.)

*7. Present monthly production capacity for all facilities: (The production capacity will be for the item(s) this project supports. This paragraph is applicable for facility expansion projects. When not applicable, the project request should so state.)

	<u>Gov't-Owned</u>	<u>Privately-Owned</u>
a. Active	_____	_____
(1) Single shift	_____	_____
(2) Multishift	_____	_____
b. Inactive (laid away)		
(1) Single shift	_____	_____
(2) Multishift	_____	_____
c. Total		
(1) Single shift	_____	_____
(2) Multishift	_____	_____

8. Description and scope of work to be performed, to include other considerations:

*(a. Describe the extent of construction and its relationship to PEMA production. Clearly identify and discuss any new construction as defined in appendix I. Identify the type or categories of non-severable equipment which will be installed, repaired, or affected by this project. Describe the specific actions taken to program and fund construction under MCA and explain why the effort was not successful. Where no action was taken to program or fund by MCA, discuss why the work qualifies for PEMA funding, why such work is essential for production, and the impact on production if the work is not accomplished. The justification for PEMA funding must be in full accord with the policies set forth in appendix II.)

*(b. For projects creating new or expanded production capability, discuss the relationship of this project, including phasing, to other elements of the same overall weapons systems program and give an estimate of future industrial facilities requirements for the procurement program involved and give a statement as to how the procuring activity proposes to meet these requirements. List and respond to each of the following questions:

(1) Is new construction on Government-owned land, or leased land, or privately-owned land, and reasons why so located?

(2) To what extent do proposed facilities anticipate future technical developments?

(3) Does the proposal constitute a complete and self-supporting facility? If not, what elements are not included herein, and how will they be provided?

(4) Where nonseverable Government-owned facilities will be constructed on leased or privately-owned land, state the steps taken to insure compliance with applicable regulations and statutes.

(5) Has list of idle reserve plants of all three Departments been screened? List plants considered and reason for rejection.

(6) Have industrial equipment inventories been screened?

(7) Can additional production be obtained with existing facilities, through multiple-shift operations?)

(c. For all projects involving plant equipment modernization by replacement, complete and submit incl. 4 to this appendix. Where such projects involve purchase of equipment for purposes other than replacement, append an additional data sheet to inclosure 4 which identifies the specific item(s) of equipment. Explain how each item listed differs from existing equipment, and describe the manufacturing processes provided by the equipment which cannot be provided by existing equipment, the benefits to be realized, and how the savings reported on incl. 4 were determined or calculated. Equipment required to develop and/or test new manufacturing processes or techniques will not be included. Instructions for completion of Exhibit P-16 provide guidance for requesting such equipment.)

(d. For all projects containing requests for production equipment, state extent production equipment reserves under control of DIPEC have been or will be screened, if not already answered.)

(e. For projects establishing capability for production of limited quantities for test, evaluation, etc., or capability to conduct tests, describe the specific contributions (funding) made by RDT&E and PEMA. When there is no contribution by RDT&E, identify the specific actions taken to program and fund the effort by RDT&E, state when such actions are initiated, and explain why they were not successful. Discuss the degree of military urgency, the essentiality of the effort, and the impact if the effort is not funded.)

(f. For facility expansion projects involving two or more years of funding, briefly describe, by added inclosure, what has been or will be accomplished in each year. The description should clearly distinguish the level of accomplishment achieved or to be achieved by each project and support the soundness of the approach.)

*9. Objectives, Government savings/benefits to be achieved:

(Describe what will be achieved by this project in terms of improving the Government's current and planned procurement, manufacturing, and/or industrial readiness posture. Specify the actual or anticipated cost savings/reductions as they relate to the cost of the total requirement supported by this project. Identify the specific areas where the cost savings/reductions will occur and explain how they will be achieved. If the project provides facilities for items in current production, expand the discussion to indicate whether the facilities will or will not reduce the item hardware costs. If no reduction is anticipated, identify the conditions or circumstances making it impossible to achieve cost reduction/savings.)

10. Estimated cost of the project:

- (a. Use cost breakout listed below for submission to support budget year and for "program" approval.)

Equipment acquisition	\$ _____
Construction	\$ _____
Land acquisition	\$ _____
Equipment rehabilitation	\$ _____
Building and conversion	\$ _____
Other -- specify	\$ _____
TOTAL	\$ _____

- (b. Use cost breakout listed below for project approval.)

Purchase of land (_____ acres):	\$ _____
New building construction:	_____
Building expansion:	_____
Building rehabilitation:	_____
Building conversion:	_____
Purchase of production equipment:	_____
Rehabilitation of production equipment:	_____
Installation of production equipment:	_____
Non-production equipment:	_____
Materials handling equipment:	_____
Roads, walks, and parking areas or hard stand railroads:	_____
Railroads:	_____
Water, power, sanitation:	_____
Other:	_____
Subtotal	_____

Design, supervision, and inspection:	\$ _____
Contingencies:	\$ _____
Total	\$ _____
Total project cost:	
Previously funded:	\$ _____
Additional funding required by this request:	_____
Future year estimate to complete project:	_____
Total	\$ _____

*(c. In requesting project approval for projects creating new or expanded production capability, list and respond to each item below, giving the estimated cost, and indicate the method of computation. The items listed below will be in addition to the normal cost breakout required for project approval. The standard cost breakout should be modified as necessary to identify the categories and dollar amounts listed below:

- (1) Land and land improvements.
- (2) Buildings, structures, additions, alterations.
- (3) Machinery and equipment, materials handling equipment, instruments, and special equipment.
- (4) Special test equipment, including a separate breakout of multipurpose components having an acquisition cost of \$500 or more.
- (5) Installation costs of equipment.
- (6) Indirect cost (specify, such as overhead, profits, etc.)
- (7) Architectural and engineering costs.
- (8) Grand total.)

Firmness of cost estimate:

(Include when requesting project approval. Explain the means used to arrive at the cost estimates, and the extent of evaluation conducted in arriving at the cost estimates. Include schedule of planned obligations. For projects involving construction comply with the instructions contained in appendix VI.)

11. Remarks:

*(a. For projects creating new or expanded production capacity, outline any special terms or conditions under which the facilities will be operated. Include any efforts of the proposed contractor to reduce the requirements by use of facilities at other plants (Government or private) and by maximum use of subcontractors. Include statement indicating that all known potential sources of supply for the proposed item or component for which Government facility support is needed have been canvassed.)

(b. Identify all other facility projects being requested for this facility. Identification should include project number and title. Also identify all MCA projects for this facility which are in support of production. The identification should include a brief scope of work statement and be referenced sufficiently to enable higher authority to locate and determine the latest status of the MCA project.)

PEMA PRODUCTION ENGINEERING MEASURES JUSTIFICATION
(RCS CSGLD-1125)

DATE _____

Appropriation: PEMA FY 19__ Program or Activity _____
(Insert 4931.0, 4932.0,
or other funding as
applicable.)

Project Cost (Thousands) Project No. and Title _____
(Insert the AMC 5-digit
project number and title as
it appears or will appear
in the RCS CSGLD 1123 report.)

(General guidance. Response to the items or guidance identified by
asterisks should be developed to clearly reflect the actions or
position of the major subordinate commands and/or project managers.)

1. Location of work to be performed:

(Identify the Government and/or privately-owned installations or firms
planned to accomplish the effort and the primary agency or activity
responsible for supervising and controlling the effort.)

2. Type and purpose of project:

a. Type: (Specify whether the project is for the preparation of procurement
packages, the design and fabrication of prototypes of special tools and production
equipment, the establishment and operation of pilot lines to produce limited
quantities (educational orders) of essential materiel to prove mass producibility,
the establishment of quality control standards and inspection aids, the develop-
ment of new or improved production processes and techniques, the military
adaptation of commercial items, or other measures (identify) which will represent
significant production advances and cost reductions.)

*b. Purpose:

- (1) Essential to meet prescribed procurement objectives.

(Specify whether the project is or is not essential to provide
a procurement package to meet prescribed objectives. If the
project is essential to meet the objectives, describe the
complexity of the item(s), and the adequacy or inadequacy of
technical data. Identify the objectives most difficult to meet,
the major problems to be overcome in meeting them, and how this
project will resolve such problems.)

(2) Essential to competitive procurement:

(Specify whether this project is or is not essential to competitive procurement. If essential, describe the degree of competition anticipated.)

(3) Essential to the establishment and operation of a pilot line:

(Specify whether the project is or is not required to establish and operate a pilot line. If required for such a line, specify the quantities and the unit cost of the items to be produced, indicate whether the quantities to be produced are or are not programed for procurement with PEMA hardware funds and identified as a separate line item in the AMP. If the quantities have not been programed for procurement with PEMA hardware funds, explain and specify when such action will be taken. Describe the principle production difficulties which must be resolved by pilot line production and how such difficulties will be resolved. If the line is to be established in a Government installation, explain why it is not feasible and/or desirable for private industry to establish and operate such a line.)

(4) Essential for the fabrication of pre-production prototypes:

(Specify whether the project is or is not required to fabricate pre-production prototypes. If required to fabricate prototypes, specify the quantity and the unit cost, discuss the major weaknesses or difficulties encountered in R&D prototypes which must be resolved by the fabrication of pre-production prototypes, and explain why such weaknesses or difficulties were not corrected by the R&D project. Specify and explain what the prototypes will be used for and how they will be used.)

(5) Essential for the fabrication of special tools and production equipment:

(Specify whether the project does or does not provide for the fabrication of special tools and production equipment. If such items are part of the project effort, identify the general types or categories of items and the significant features of the end items and/or components which support the necessity for such tooling and/or equipment. If for other than pilot line production, explain why the effort cannot or should not be made part of the first production contract.)

(6) Essential to the establishment of new or improved production or manufacturing processes and/or to increase production efficiency:

(Specify whether the project is or is not essential to the improvement of production or manufacturing processes. If essential,

describe the scope and complexity of the production or manufacturing processes which should be improved and explain how this project will be accomplished to achieve the improvements. Discuss what private industry and/or other Government agencies have done or are doing in this area and how this project parallels or differs from the efforts accomplished or being accomplished by others. If the project parallels the efforts of other agencies, justify the necessity of the project in terms of urgency, essentiality, and increased efficiency. Explain how and to what degree the project efforts will be coordinated with similar efforts of the other agencies to attain maximum benefits.)

(7) Essential to the attainment of significant procurement advances and cost reductions:

(Specify whether the project is or is not essential to procurement. Describe the current conditions and problems, their scope and complexity, and the impact they are having on the ability of the command to perform its procurement mission. Explain how this project will improve conditions and the degree of success anticipated. Discuss what private industry and/or other Government agencies have done or are doing in this area and how the efforts of this project will be coordinated with those of other agencies to attain maximum benefits.)

(8) Essential to the adaptation of commercial items.

(Discuss the types of changes to be made in the commercial end items and/or the conditions necessitating engineering analysis of commercial end items for military use. Define the military requirements to be met which existing equipment does not meet or should be met by the procurement of commercial end items. Discuss and explain extent of changes, if any, to be made in the commercial items before acceptance by the military. When the effort is required to improve the existing military procurement posture, define the present conditions which the project will correct and/or improve, the changes to be made, and how such changes will be accomplished. When a number of items are involved, the discussion under this paragraph should highlight the more important changes, conditions, and military requirements. In this latter instance, the discussion should be supported by an added inclosure which identifies and discusses each item.)

3. Item(s) supported:

a. Items being produced or scheduled for production:

(Identify the specific PEMA-procured items, components, or assemblies this project supports and the weapon system(s) or end item(s) involved. Indicate whether the weapon system(s) or end item(s) are code A or B. If for the support of all types of items, so state and explain.)

*b. Status of items being produced or scheduled for production:

(For projects involving code B weapon system(s) or end item(s), explain the R&D test and evaluation status of such items, known problems or technical difficulties which must be resolved prior to type classification, and the projected type and date of classification as code A. For both code A and B items, specify the planned dates for contract award, the scheduled date of availability of procurement package, and the type of procurement the package will support. For projects supporting the advance procurement of long leadtime items, components, or assemblies in support of items not yet classified as code A, identify the risks involved and explain why such risks must or should be taken.)

4. Status of current and projected requirements:

*a. Firmness of Requirements:

(State whether the PEMA-procured items supported by this project are or are not supported by buy quantities of weapon system(s) or end item(s) in the AMP. Identify and explain any known or anticipated requirement changes which could increase, decrease, slip, or accelerate the planned yearly buy quantities of any or all items supported by this project and state the degree this project considers such changes. If there are no known or anticipated changes, so state.)

b. Current and projected yearly requirements:

(For each PEMA-procured item, component, or assembly (which this project supports) in support of weapon system or end item buy quantities contained in the latest AMP, identify the actual and planned yearly buys for Army, other customer, and total. Project and total the yearly quantities and their dollar value commencing with the current fiscal year or the first buy year, whichever is later, and continue through the last planned buy year identified in the AMP. When more than one item is involved, identify the total planned buy under this paragraph and inclose schedule indicating the yearly and total buys of each item.)

5. Actual planned status of:

(For advance production engineering projects, include as an added inclosure a chart designed to depict the time frame of the R&D effort, prototype development, engineering and service tests, maintenance engineering and evaluation, advance production engineering, type classification, award of first production contract, and first delivery.)

*a. R&D effort:

(Specify whether there is or is not an existing R&D effort and the amount of funds programed. If there is such an effort, define the current status of accomplishment, what remains to be accomplished, and the scheduled date for completion of the effort. When such effort includes the development of R&D prototypes, specify the quantity produced and/or to be produced, the dates completed or to be completed, and the status of the service tests.)

b. O&MA effort:

(For advance production engineering projects, explain the current status of the maintenance engineering and/or evaluation effort and any known or anticipated significant problems relating to maintenance which must be resolved prior to type classification or award of the first production contract. If there are no significant problems, so state.)

*c. Future PEMA procurement:

(When the project is required for competitive procurement, describe the procurement plan for the first, second, and subsequent year buys.

*d. Similar effort by other Government and/or private agencies or firms:

(For projects involving new manufacturing processes and techniques or significant procurement advances, identify the agencies or firms involved in such effort, the extent and type of contracts made or planned with such agencies or firms, the approximate extent of resources being utilized or planned by such agencies or firms, and any significant observations expressed by the agencies or firms concerning the probable outcome or benefits to be derived from their efforts.)

6. Description and scope of work to be performed, to include other important considerations:

(a. Describe the types of work to be accomplished, the materiel to be procured or fabricated, the effort to be performed by Government, the effort to be performed by private industry.)

*(b. State whether the project does or does not include effort properly chargeable to research and development. If the project does contain R&D effort, describe the type, extent, and approximate value of the effort, identify the specific actions taken to program and fund the effort under R&D when such actions were initiated and why they were not successful, the degree of military urgency, the essentiality of the effort, and the impact if the effort is not funded.)

(c. For projects involving two or more years of funding, briefly describe, by added inclosure, what has been or will be accomplished in each year. The description should clearly distinguish the level of accomplishment achieved or to be achieved by each project and support the soundness of the approach.)

*7. Objectives, Government savings/benefits to be achieved:

a. Objectives:

(Specify the end products to be derived from this project, i.e., competitive procurement package for _____, new performance/quality assurance standards and specifications to be used in the procurement of _____, an economical manufacturing process for cold welding of aluminum to steel, the conversion of _____ engineer drawings relating the (end items) to machine tape, etc.)

b. Government savings/benefits:

(Describe what will be achieved by this project in terms of improving the Government's current and planned procurement, manufacturing, and/or industrial readiness posture. Specify the actual or anticipated cost savings/reductions as they relate to the cost of the total requirement supported by this project. Identify the specific areas where the cost savings/reductions will occur and explain how they will be achieved.)

8. Estimated cost of the project:

COST DATA			
a. Cost data, by item:	<u>GOVERNMENT</u>	<u>CONTRACTOR</u>	<u>TOTAL</u>
Equipment design:	\$ _____	\$ _____	\$ _____
Equipment fabrication:	_____	_____	_____
Equipment installation:	_____	_____	_____
Pilot production:	_____	_____	_____
Procurement packages:	_____	_____	_____
Equipment acquisition:	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
TOTALS	\$ _____	\$ _____	\$ _____
b. Cost data, by type:	\$ _____	\$ _____	\$ _____
Direct material and outside contracted work	_____	_____	_____
Direct manufacturing labor	_____	_____	_____
Direct manufacturing burden	_____	_____	_____
Direct engineering labor	_____	_____	_____
Other factors	_____	_____	_____
Profit or fee	////	_____	_____
	_____	_____	_____
TOTALS	\$ _____	_____	_____

*Firmness of cost estimate:

(Include when requesting project approval. Explain the principle means used to arrive at the cost estimates, the extent of evaluation conducted in arriving at the final estimates, and the reasonableness of the cost elements in terms of prevailing industry rates. Include schedule of planned obligations.)

9. Remarks:

(State whether there was or was not similar effort undertaken in prior years. If effort was undertaken in prior years identify the most recent prior year project, by project number, title, and cost, and briefly describe the extent of such effort and the objectives or level of accomplishment achieved. Also identify any current year projects involving similar effort.)

EXHIBIT P-17

PEMA LAYAWAY/RELAYAWAY AND/OR DISPOSAL/REDISTRIBUTION JUSTIFICATION
(RCS CSGLD-1126)

DATE _____

Appropriation: PEMA FY 19____ Program or Activity _____ (Insert 4921.0, 4922.0, or other funding as applicable.)

Project No. and Title: (Insert the AMG 5-digit project number and title as it appears or will appear in the RCS CSGLD 1123 report.)

(General guidance. Response to the items or guidance identified by asterisks should be developed to clearly reflect the actions or position of the major subordinate commands and/or project managers.)

1. Name, location, type installation, and contractor.

a. Type of installation or activity where facilities are located:

(Enter GOGO, GOCO, or privately-owned.)

b. Name and location:

(Specify and include plant index number contained in Register of Planned Producers published by ASOD(I&L) when applicable.)

2. Type and purpose of project.

a. Type:

(Specify whether the project involves layaway of an industrial plant or production equipment. If the project request is for production equipment state whether it involves total or partial in place, on-site, or off-site layaway, relayaway, or plant clearance involving the redistribution and/or disposal of equipment.)

(Incl. 3 to app. V)

*b. Purpose:

(1) Involves facilities essential for support of the first level force structure (limited war):

(Specify whether all or a portion of the facilities involved are or are not essential to meet the post M-Day requirements of the first level force structure. If essential specify whether they will or will not be maintained in a high state of readiness. If scheduled for low state of readiness, discuss basis for such action.)

(2) Involves facilities not essential for support of the first level force structure but essential for support of the second level force structure:

(Specify and explain whether the facilities are or are not essential for support of the second level force structure.)

(3) Involves facilities no longer required:

(Specify and explain whether the project involves facilities no longer required for support of the prescribed force levels.)

3. Item(s) supported:

a. Items produced or scheduled for production:

(Identify the specific item produced by these facilities, date of last production, and the classification status. If the facilities will be required to support other items, identify the items, indicate whether they are code A or B, and discuss the completeness or incompleteness of the facilities to support such items.)

*b. Current and projected status of the items:

(For the item produced by these facilities, explain the extent it is above or below the prescribed inventory objective (1st force level), the status of current and planned production of the item by other producers, (less Post M-Day Production), and approximate time frame for phaseout of the supply system. For the other items, specify whether they are scheduled to replace the item produced by these facilities, the year of first production, whether there are planned buy quantities scheduled in the AMP, or whether the layaway is essential to meet first or second level force structure.)

*4. Current and projected industrial readiness posture:

a. Current status:

(Discuss the availability, status, condition, and degree of readiness of other facilities capable of producing the item and identify the names and locations of planned producers. If there are no other facilities or planned producers so state.)

b. Current and projected status of private industry to produce:

(Discuss the current and projected capability of private industry to produce the items utilizing their own facilities.)

*5. Type, quantity, and condition of facilities:

(Describe the type, quantity, current replacement value (keyed to condition), and condition of the facilities involved in this project. When the facilities are in poor condition, discuss their age, past usage, conditions, and/or problems contributing to the status of the facilities.)

*6. Basis and extent of action:

(Describe the circumstances or conditions supporting the action(s) requested by this project. Describe the scope and extent of the action to include type of disposition(s) to be made (disposal/DIPEC), the specific locations where the equipment will be shipped, the basis for selecting such locations, and the extent of coordination with PEQUA and DIPEC in selecting the locations. When rehabilitation of production equipment is involved, identify by added inclosure the specific items, their current replacement value, and the cost and extent of rehabilitation, and specify when and by whom the rehabilitation will be accomplished. State whether the rehabilitation costs do or do not exceed 30 percent of the equipment current replacement value. If such costs do exceed 30 percent of the action, fully justify the necessity for the action. If the project involves equipment disposal and/or redistribution, and maintenance costs are also indicated, the need for such maintenance costs must be explained.)

7. a. Total project cost: (production-base support) \$_____
- (1) Cost of rehabilitation of equipment \$_____
- (2) Other production-base support costs \$_____

b. Annual maintenance (2200 O&M Program)

Effective Date _____

(The total production-base support cost stated will exclude the maintenance cost given under item 7b. The PEMA cost will be the amount required for obligation or commitment during the program year specified by the exhibit. Initial layaway costs will not exceed 7 percent, and first and subsequent years' maintenance and storage costs at Government-owned or contractor-owned facilities will not exceed 1.5 percent or 2.5 percent respectively of the current replacement value of the industrial plants or production equipment involved.)

Note. After approval of initial layaway and first year maintenance project requests, no additional detailed project requests covering maintenance for subsequent years will be required except for projects where the maintenance cost for the current year exceeds that approved for first year maintenance.)

(Include the below listed items when requesting current year program and/or project approval.)

8. Current replacement value of facilities:

- a. Land: \$ _____
- b. Improvements: \$ _____
- c. Severables: \$ _____
 - (1) Production equipment \$ _____
 - (2) Non-production equipment: \$ _____
- d. Nonseverables \$ _____

Cost data:

a. Initial layaway:

(The "total" entry must agree with the entry for item 7a. Elements of cost actually listed in the exhibit format submitted must be applicable to the scope of work of the project being requested.)

- (1) Process for in-place storage \$ _____
- (2) Remove from plant and prepare for shipment: \$ _____
- (3) Transportation to storage: \$ _____
- No. Items _____
- (4) Receive and store at layaway locations: \$ _____
- No. Items _____
- (5) Rehabilitation of equipment \$ _____
- No. Items _____
- Repl Value _____
- (6) Other (specify) \$ _____
- TOTAL \$ _____

b. First year maintenance cost (O&M Program 2200) \$ _____

c. Annual maintenance cost (O&M Program 2200) \$ _____

10. Production requirements data (monthly rates for item to be produced):

	<u>1st Force Level</u>	<u>2d Force Level</u>
a. Production rate required	_____	_____
b. Production rate w/o this facility	_____	_____
c. Production rate of this facility	_____	_____
d. Total production rate	_____	_____

*11. Remarks:

a. Firmness of project costs:

(Describe the source data used in arriving at the cost estimates and the degree of coordination with PEQUA in establishing the estimates. Include schedule of planned obligations. If estimates have not been coordinated with PEQUA, so state and explain.)

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b. Assistant Secretary of Defense (ASOD) number:

(If no ASOD number has been assigned, indicate date request for ASOD number was submitted. If a request has not been submitted, describe the conditions which prevented submission and indicate the date when the request will be submitted.)

F O R M A T

Exhibit P-15
CSGLD-1124

EQUIPMENT ACQUIRED FOR MODERNIZATION

<u>Installation</u>		Project No. _____				
<u>Item Nomenclature</u> (1)	<u>Priority Number</u> <u>Category</u> (2)	<u>Installed</u> <u>Cost</u> (4)	<u>Annual</u> <u>Savings</u> (5)	<u>Years to</u> <u>Amortize</u> (6)	<u>Producing</u> <u>Years</u> (7)	<u>Productivity</u> <u>Increase</u> <u>Ratio</u> (8)

Replacement - DD Forms 1106

Other Equipment Acquisition

Instructions.

1. Categorize equipment.
 - a. List equipment whose acquisition is supported by a DD Form 1106 under "Replacement-DD Forms 1106."
 - b. List all other equipment acquired for purposes other than expansion.
2. Complete as follows:

Column (1) - Type, make, and model. Column (2) - Sequential priority for acquisitions within category. Column (3) - Nonsequential priority for acquisitions among categories. Column (4) - Includes acquisition cost and packing, crating, handling, transportation, and installation costs, as applicable.	Column (5) - Annual savings that will result before capital recovery. Column (6) - Number of years required to amortize installed cost, column 4, at rate of annual savings shown in column 5. Column (7) - Number of years or portion thereof during which installed equipment will be active in PEMA procurement. Column (8) - Comparative ratio (i.e., 1.8:1) indicating the increased productive capacity ratio which will reflect the comparison of the rate of production or improved operating efficiency of the item listed in column (1) to that of the equipment being replaced.
--	---
3. Instruction entries will not be shown on completed format.

AMCR 715-33

Appendix VI

CONSTRUCTION

1. Purpose. To clarify procedures and to specify requirements for programming the design of construction included in PEMA-funded facilities projects.

2. Design and cost data. a. Advance planning. Before programming PEMA construction, advance planning will be accomplished, to include project description, justification, empirical cost estimate, and a single line floor plan with outline specifications.

(1) This planning may be accomplished at installation level; however, for major construction projects (over \$25,000), the above data, except the justification, must be reviewed and approved by the supporting district engineer (i.e., preliminary support).

(2) The supporting district engineer may be requested by a major subordinate command to perform advance planning to develop empirical cost estimates and single line floor plans with outline specifications. This support is financed by funds allocated directly to the Chief of Engineers from Headquarters, DA. (See also par. 3a of this appendix.) Requests to the district engineer must contain definite statements of what is wanted and adequate criteria to accomplish advance planning.

b. Preliminary design.

(1) Upon approval of the Production-Base Support program by OSD/BOB for inclusion in the President's Budget, authority to accomplish preliminary design for construction included therein will be issued by DCSLOG to OCE. This preliminary design normally consists of 60 percent of the total design and development of a firm cost estimate. Upon receipt of preliminary design authorization from DCSLOG, the Chief of Engineers will issue design directives to the appropriate supporting division or district engineer. This support is also financed by funds allocated directly to the Chief of Engineers from Headquarters, DA.

(2) See AMCR 415-6, Design of Facilities, for detailed responsibilities concerning the submission of detailed design criteria to both the supporting district or division engineer and to the Chief, Installations and Services Agency, Rock Island Arsenal.

(3) Thorough preparation and timely submission of detailed design criteria is essential to satisfactory accomplishment of construction projects. Criteria should be forwarded to the supporting division or district engineer as soon as possible after notice is received from the Directorate of Installations and Services, Headquarters, AMC, that the project has been approved by OSD/BOB for inclusion in the President's Budget. (See also par. 3b of this appendix.)

c. Final design.

(1) Final design will be included as a cost element of the AMC project request.

(2) For those projects designed and constructed by the supporting division or district engineer, the final design will be accomplished when the Chief of Engineers issues a construction execution directive; and when funds are allotted to the division or district engineer on DA Form 1323 by the AMC major subordinate command. A copy of this funding document will be furnished the Chief of Engineers, ATTN: ENGMC-CS, by the AMC major subordinate command.

(3) See AMCR 415-6, Design of Facilities, for AMC policies and procedures pertaining to design changes and technical reviews.

3. Programing requirements (budget year program).

a. Annual budget requests.

(1) Before the annual August submission of a budget request to the Commanding General, AMC, ATTN: AMCPP, by major subordinate commands, project managers, and separate installations and activities reporting directly to Headquarters, AMC (i.e., AMC project sponsors), advance planning will be accomplished either by or for AMC elements in coordination with the supporting division or district engineer.

(2) Concurrently with submission of the budget request, DD Forms 1391 and 1391c (local reproduction authorized) will be forwarded in accordance with AMCR 415-1 for all Production-Base Support program projects involving construction. The DD Form 1391 will include the following information:

(a) A statement affirming that the advance planning data has either been prepared by or coordinated with and approved by the supporting district or division engineer.

(b) The cost estimate for accomplishing preliminary design. This estimate will be obtained from the supporting district or division engineer.

b. Annual apportionment request.

(1) Before the annual April submission of this request to the Commanding General, Headquarters, AMC, ATTN: AMCPP, detailed design criteria will be provided to the supporting division or district engineer. Such criteria should be adequate to accomplish preliminary design.

(2) Concurrently with the submission of this request, updated and improved DD Forms 1391 and 1391c will be forwarded to the Commanding General, Headquarters, AMC, ATTN: AMCIS, in accordance with AMCR 415-1. These forms will verify that preliminary design has been started or completed. If preliminary design is not complete, report the percentage complete and expected completion date.

4. Execution of construction. Planning for the execution of construction included in PEMA-funded construction projects will be governed by the following:

a. AMC project sponsors are authorized to accomplish the design and construction of approved projects having a total funded cost for design and construction, excluding the cost for procuring and installing production equipment, of \$25,000 or less under the following conditions:

(1) Corps of Engineers design and construction standards will be followed.

(2) The provisions of AMCR 415-6, Design of Facilities, will be followed.

b. AMC project sponsors may accomplish the design and construction of approved projects having a total funded cost for final design and construction, excluding the cost for procuring and installing production equipment, of more than \$25,000 but not exceeding \$200,000, under the following conditions:

(1) A waiver will be obtained from the Chief of Engineers for this work to be accomplished by elements of AMC. Requests for waivers will be forwarded to the Commanding General, AMC, ATTN: AMCIS-C, concurrently with the annual budget request submission in August. Strong and valid justification will be required to obtain a waiver from the Chief of Engineers. Justification should include the following minimum information.

(a) Description of the work.

(b) Security factors, i.e., personnel security clearance requirements.

(c) Safety factors, to include unusual safety hazards to inexperienced personnel.

(d) AMC capability to accomplish design and construction.

(2) Design and construction will be accomplished in accordance with Corps of Engineer standards.

(3) Design and cost estimates will be approved by the applicable Corps of Engineer district engineer before the start of construction.

(4) The project will be reviewed and approved by the Chief, Installations and Services Agency, Rock Island Arsenal, in accordance with AMCR 415-6, Design of Facilities.

c. The Chief of Engineers will accomplish design and construction of approved projects having total funded costs for final design and construction exceeding \$200,000. This total will exclude the purchase and installation costs of production equipment.

d. Construction evaluation reports will be prepared and forwarded in accordance with AMCR 415-5.

5. Facility projects for current program year approval.

a. Resubmitted projects. Construction projects resubmitted to Headquarters, AMC, because of inadequacy of data in the apportionment request justification will include the following information:

(1) Status of preliminary design.

(2) Proposed construction directive (7 copies). See inclosure 1 to this appendix for a sample.

b. Unforeseen and urgent late starter projects.

(1) Those projects involving construction made necessary by changes in missions, new weapon developments, or improved production schedules and for which preliminary design has not been accomplished will include reasons why the deferral of such projects, for inclusion in the next MCA or PEMA fiscal year program, is inconsistent with the interests of National security. If preliminary design has been or is being accomplished indicate the design status.

(2) These projects will also include a proposed construction directive (7 copies).

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(3) Completed DD Forms 1391 and 1391c will be forwarded to the Commanding General, AMC, ATTN: AMCIS, concurrently with the submission of the late starter project request.

SAMPLEPROPOSED CONSTRUCTION DIRECTIVE

AMC Project Request No. 32817

SUBJECT: Authorization - Construction of a Mixer Facility Complex, Longhorn
Army Ammunition Plant, Marshall, Texas.

TO: Division Engineer
U.S. Army Engineer Division, Southwestern

1. a. Job location: Longhorn Army Ammunition Plant, Marshall, Texas.

b. Supervision by: District Engineer, Fort Worth, Texas.

2. Description of authorization: Preparation of final design and construction of replacement mixer facilities at Longhorn Army Ammunition Plant, Marshall, Texas, as follows:

Site preparation	\$ 3,500
Roads and culverts	12,000
Structure, Mixer Bldg. 42-H	69,900
Structure, Surge Bldg. 38-H Ramp	19,200
Structure, Control Bldg. 37-H	16,430
Structure repair	2,500
Utilities	60,100
Barricades	55,000
5-Ton pneumatic bridge crane	12,000
Road blocks and signals	2,000
Subtotal	<u>252,630</u>
Contingencies (10%)	25,210
Supervision & administration	18,910
Final design	<u>12,600</u>
Total	<u>\$309,350</u>

Incl. 1 to app. VI)

3. Engineering Instructions:

a. The general scope of the work is as indicated in paragraph 2 above. This estimate will not be construed as limiting the allocation of funds as itemized therein. Additional technical requirements and detailed criteria will be obtained from the Commanding Officer, Longhorn Army Ammunition Plant, Marshall, Texas.

b. Completion date will be determined by the Division Engineer after coordination with the Commanding General, U.S. Army Missile Command (USAMICOM), or his authorized representative.

4. Special Instructions:

a. Direct coordination between the District Engineer, Fort Worth, and the Commanding Officer, USAMICOM, is authorized for the purpose of obtaining criteria.

b. Work authorized herein is included in a project request being considered by higher authority for inclusion in the fiscal year 1964 PEMA program and should be completed and submitted in accordance with paragraph 9c, ER 415-3-7.

c. AMC No. 32817 has been assigned to this project and will be cited in all future correspondence and reports concerning this facility.

d. If the current working estimate, based on completed final plans, indicates an insufficiency of funds, a prompt report will be made to USAMICOM in accordance with ER 415-3-7.

e. Surplus funds remaining after completion of the project will be revoked immediately by the District Engineer, Fort Worth.

Appendix VII

INSTRUCTIONS FOR PREPARATION OF ARMY PRODUCTION-BASE SUPPORT PROGRAM DATA
RCS CSGLD-1123 REPORT

1. Purpose. This appendix prescribes the responsibilities and procedures for the assignment of project numbers and the monthly and year-end updating of the RCS CSGLD-1123 Report.

2. Scope. The procedures contained in this section apply to the AMC major subordinate commands, project managers, and affected installations and activities reporting to Headquarters, AMC.

3. General. a. The RCS CSGLD-1123 Report receives wide distribution and is used continually by the DA Staff and Headquarters, AMC, to monitor progress and determine the prior, current, budget, and budget-plus-1 year status of the Production-Base Support program.

b. It is paramount that all revisions and changes be accurate. The use of red pencil is prescribed for revising all data for projects already in the RCS CSGLD-1123 Report except as qualified below in paragraph 8 for change-over procedures at the end of a fiscal year. Care should be taken to indicate clearly the line and the column in which the revised data is to appear.

(1) Individual items of project data being eliminated or revised should be carefully marked through.

(2) If the entire project is to be eliminated a large "X" will be marked in red pencil across the entire line item.

4. Assignment and utilization of project numbers. a. Project numbers will be assigned by major subordinate commands, project managers reporting to the Commanding General, AMC, and by the Directorate of Procurement and Production, Headquarters, AMC, for individual projects within the purview of their programing responsibilities.

b. The project number will consist of five digits, of which the first digit will indicate the office having programing responsibility as follows:

<u>First digit of project number</u>	<u>Installation or office having program responsibility</u>
0	Procurement Support Division, Hq, AMC
1	Headquarters, AMC (Other than Procurement Support Division)
2	U. S. Army Electronics Command
3	U. S. Army Missile Command
4	U. S. Army Mobility Command
5	U. S. Army Munitions Command
6	U. S. Army Weapons Command
7	Reserved
8	Corps of Engineers
9	Reserved

c. A project number once assigned cannot be duplicated or used over again.

5. Inclusion and elimination of project data. a. Monthly markups should reflect all changes in individual project data by program year. It is particularly important that the status of the DA-approved program for the current program year be accurately indicated and be up to date. The instructions given in paragraph 7 are to be followed in updating the individual line items included in the report.

b. Project amounts should be eliminated from the report when it is appropriate to do so. In this connection:

(1) There is no restriction on the elimination of a current program year project which has not received program approval.

(2) There is no restriction on the elimination of budget year projects or of budget-year-plus-1-year projects.

(3) Current year DA program approvals cannot be eliminated from the report until such elimination is approved by higher authority. Increases and decreases to such approvals can be made only when approved by higher authority, or when such adjustment is made valid as the result of a project request approval.

(4) No line item which has received project approval in a prior program year or in the current program year will be eliminated from the report until project approval has been properly closed out in consonance with delegated authority and has been indicated as closed out in the next issue of the report. Any closed out or terminated project, however, which shows an obligated amount for the current program year, will not be eliminated from the report until the mark-up for the changeover procedures at the end of the current program year (par. 8 below.)

c. Projects which have no continuity - or are considered to have no continuity - with line items already in the report will be added by PEMA 4900 Worksheet (DA Form 2660, 1 April 1963) (RCS CSGLD-1124) completed in accordance with paragraph 7 below.

6. Transmission of Updated Reports and PEMA 4900 Worksheets.

a. Major subordinate commands will update their portion (extract) of the report and transmit it together with necessary DA Forms 2660 to the Commanding Officer, DCSLOG Data Processing Center, Radford Terminal, Radford, Virginia, in accordance with the following schedule:

<u>Date of Report</u>	<u>Date of Dispatch of Data to DDFC</u>	<u>Date of Distribution by DDFC</u>
* 20 July	20 July	1 August
20 August	20 August	1 September
20 September	20 September	1 October
20 October	20 October	1 November
20 November	20 November	1 December
20 December	20 December	1 January
20 January	20 January	1 February
20 February	20 February	3 March
20 March	20 March	1 April
20 April	20 April	1 May
20 May	20 May	1 June
20 June	20 June	1 July
*30 June	20 July	1 August

* The 30 June and 20 July reports will both be prepared from the 20 June report marked up to include year-end changeover entries in accordance with paragraph 8 below.

b. Major subordinate commands, and installations and activities charged with the execution of projects or segments of projects controlled by elements of HQ,AMC, will submit the data required by paragraph 6a above to the appropriate elements of HQ,AMC. The data will be submitted to reach HQ,AMC by the close of business on the 12th working day of each month.

7. Procedures for completing PEMA 4900 Worksheet (DA Form 2660).

This form may be requisitioned from the Adjutant General Publications Center, Baltimore, Maryland. Data should be typed or printed. The form permits the inclusion of data for three individual projects to be added to the report. Complete as follows:

a. Numerical Entries. Numerical entries on DA Form 2660 will show the 10's position in the highest numbered block within each column, the 100's position in the next highest numbered block, and so forth.

b. TO/FROM. Major subordinate commands should address DA Form 2660, covering projects for which they have program responsibility, to DCSLOG Data Processing Center, Radford, Virginia. For projects under the programing responsibility of Headquarters, AMC, elements, DA Form 2660 should be addressed to the DCSLOG Data Processing Center thru the applicable Headquarters, AMC, element.

c. Project Nomenclature. A total of 7 lines of 29 characters each will be used for the project nomenclature. Such nomenclature will include the name of the facility, the facility address, the nomenclature of the item, the approval date (month and year - in parentheses) of the oldest active (i.e., not closed out) prior program year increment, or the date of current year project approval if there is no active prior year increment. For production engineering measures only item description is required - name and location of facility will not be shown.

(1) When a project has been rejustified, this indication will be added to the nomenclature in capitals (i.e., REJUSTIFIED JUL 64).

(2) When a project close out has been approved under delegated authority, the words CLOSED OUT, in capitals, will also be added to the nomenclature.

d. AMC Project Number. (5 characters). These numbers will be inserted by the AMC Major Subordinate Commands having program responsibility in accordance with paragraph 4 above. Project numbers for projects under the program responsibility of Procurement Support Division (AMCPP-S), Hq, AMC, will be assigned by that division. Headquarters, AMC, including project managers reporting to CG, AMC, will be obtained from the Industrial Readiness Branch, Plans Division (AMCPP-PI), Hq, AMC.

e. Card Control (2 characters). This column is used for a data processing card count code and will not be completed.

f. Fiscal Year (2 characters). Seven line entries will be shown for each project as follows:

(1) First line. Insert "PR" to indicate prior fiscal year.

(2) Second, Third, and Fourth lines. Insert the last two digits of the current program year.

(3) Fifth and Sixth lines. Insert the last two digits of the budget program year.

(4) Seventh line. Insert the last two digits of the budget plus 1 program year.

g. Type of Project (1 character). No entries will be made in line 1. Project types for current year program will be shown on lines 2, 3, and 4; for budget year program on lines 5 and 6; and for budget plus one year program on line 7. Code designations to be used for project types are the following:

N Project for which program approval, project approval, and funding will be required in current, budget, or budget plus 1 program year.

C Prior program year project which will require prior program year dollars to make carry-on obligations or obligational adjustments to prior year contracts.

h. Program Amount - In Thousands. No entry will be made on Line 1. Lines 2 through 7 should contain the program for which current, budget, or budget plus 1 program year approval is desired for "N" type projects. Desired program approval for "C" type projects will be shown only on lines 2, 3, and 4. The amount of desired program approval for each project type may be changed or reduced to zero at any time. "C" type projects cost estimates will be shown in parentheses. (Note. The use of parentheses is, in general, to indicate a project cost amount which will not be added into columnar totals.)

i. Program Approval Dates (5 characters). No entry will be made on lines 1, 5, 6, or 7. Entries will be shown on lines 2, 3, or 4 as necessary to indicate:

(1) The month and year in which approval was received for inclusion of "N" type projects in the current year program. If the amount of program approval is subsequently increased or decreased during the current program year, the date of the initial approval will remain the one shown in the report unless the later approval entails a complete change in project scope.

(2) Dates of "C" type program approvals should always be "July" of current program year, except when the intent is to register the month and year of an approved increase to a prior program year project received during the current program year.

j. Program Approval Amounts - In Thousands. The program approved project cost estimates will be entered on lines 2, 3, and 4 to correspond with the program approval dates. "C" project type cost estimates will be shown in parentheses. The amount of current program year approval for "C" type projects may be increased, decreased, or deleted at any time provided that the program approved amount is not less than the carryover obligations included in the current year obligations column (subparagraph q below), and also provided that prior year obligations (subparagraph p below) plus the program approved carryover amount do not exceed the prior year project approved amount shown on line 1 of the project approval column (subparagraph m below). Changes in approval amounts for "N" type projects will be effected when:

(1) Any increase has been approved by higher authority.

(2) A decrease in program approval has been approved by higher authority.

(3) A project request is approved for a lower amount than the amount of existing program approval.

(4) A decrease in a project request is approved under delegated authority.

k. Project Approval Authority (3 characters). Entries will apply to "N" type projects only. Command levels at which project requests have been

approved under delegated authority during the current program year will be indicated on lines 2, 3, or 4, using an Alpha code for the approving authority; i.e., DOD, ASA, LOG, or AMC. The code "AMC" will designate approvals given at Headquarters, AMC, and those given by the major subordinate commands.

l. Project Approval Date (5 characters). The month and year of original approval for the last active (i.e., not closed out) prior year project approval will be entered on line 1. The date of current year project approval will appear on lines 2, 3, or 4 and will apply only to "N" type projects. Such date will not be changed irrespective of any subsequent project increase or decrease which may be approved.

m. Project Approval Amount - In Thousands. On line 1, show the cumulative total of all prior year project request approvals which have been received less those project decreases which have been approved and less those project increments which have been approved as completed and closed out. The value of approved project requests on lines 2, 3, and 4 will apply only to "N" project types. Project amounts shown in this column will not be decreased until such decrease has been approved in accordance with delegated authority.

n. Funded (1 character). Alpha characters will be inserted in this column to indicate those "N" type projects which are tentatively planned to be funded within current funding limitations for current program year, budget program year, and (if DCSLOG should so request) budget plus 1 program year. Use "F" for current program year projects and "B" for budget program year projects. Major subordinate commands should show all "N" type projects released during the current program year as funded. Additional current year projects and the planned budget year projects may be shown funded within the dollar limitations for Production-Base Support given in the AMC 5-Year Program documents.

o. Procuring Activity Code (1 character). Alpha characters will be inserted in the column headed "Proc Code" as follows:

- (1) An "M" will be inserted to indicate that obligations and expenditures have been or will be made by AMC installations.
- (2) An "E" will be inserted to indicate that obligations and expenditures have been or will be made by installations under the control of the Chief of Engineers.
- (3) An "R" under control of Department of Air Force.
- (4) An "V" under control of Department of Navy.
- (5) If more than one code is to be indicated, the "M" code for AMC should be shown on line 1 and the code of the other agency on line 2.

p. Prior Year Obligations - In Thousands. Show the actual cumulative obligations which have been made in prior years which are related to the active

prior year project approvals shown on line 1 in the "Project Approval" column. If both AMC and another procuring activity made prior year obligations, show those by AMC on line 1 and those by other activity on line 2.

q. Current Year Obligations - In Thousands. Show the cumulative obligations made during the current program year against current year approved project requests, plus carry-on obligations made during the current program year against prior year programs. If both AMC and another procuring activity made obligations, show those by AMC on line 1 and those by the other activity on line 2.

r. Cumulative Expenditures - In Thousands. Show as one amount the cumulative expenditures made against the prior and current year obligations indicated. If expenditures were made by both AMC and another procuring activity, show those made by AMC on line 1 and those by the other activity on line 2.

s. Percent (%) Complete (3 characters). This percentage is based on the amount of total active project approvals shown in the "project approval" column. Show on line 1 a numerical entry, 0 through 100, representing a percentage expression of the ratio of the actual physical work accomplished to the total actual physical work to be accomplished with the active project approval. Show only one percentage to relate the work accomplishment against the sum of the active prior year and current program year project approvals.

t. Subproject No. Designate abbreviated SCA codes for PEMA 4900.0, i.e., 11, 12, 13, 21, 22, 31, 32 or 33. For projects programed or funded under PEMA 4000.0 (Aircraft) or PEMA 4200.0 (Missiles) an appropriate conversion to the PEMA 4900.0 SCA codes will be made.

8. Year End Change Over Procedures. Two publications will result from mark-up of the 20 June report each fiscal year:

a. A final report for the outgoing current program year which will be dated 30 June.

b. A 20 July report for the incoming current program year, in which:

(1) Projects for the outgoing fiscal year which are still active will have been merged with other prior year elements still active.

(2) The budget year program will have become the current year program and the budget plus 1 year program will have become the budget year program.

(3) A fiscal year designation will have been added for the insertion of the new budget plus 1 program year projects beginning with the report dated 20 August.

c. Mark-Up for Outgoing Current Year Program.

(1) Updating intended to apply to the 30 June report should be made in red pencil on lines 1 through 7.

(2) All "C" type project amounts shown on lines 2, 3, or 4 in the "Program Amount" column should be the sum of the outgoing year obligations plus the current working estimate of additional amounts needed for continuing carry-on obligations during the next fiscal year. No "C" type project amounts should be shown on lines 2, 3, or 4 relating to "N" type project approvals received during the outgoing program year.

(3) A marginal notation will be made against those projects closed out during the outgoing program year but still carried in the report to the effect that projects are to be dropped from the 20 July report. These projects will appear in the 30 June report in order that a complete record of the program executed during the outgoing program year may be indicated in this final report.

d. Mark-Up for Incoming Current Program Year.

(1) Updating intended to apply only to the 20 July report should be made in blue pencil on lines 5, 6, or 7.

(2) All "N" type project amounts on lines 1, 2, and 3 which did not receive project approval during the outgoing program year will - if still desired - be repeated as blue pencil "N" type project amount entries on lines 5 and 6.

(3) That portion of all "C" and project approved "N" type projects on lines 1, 2, and 3 which represents required carry-on amounts for the incoming program year will be shown in blue pencil as "C" type entries on lines 5 and 6.

(4) No blue pencil entries will be made in the "Program Approval" or "Project Approval" columns on lines 5 or 6 unless specific authorization is obtained from Headquarters, AMC.

e. No entries will be made to incorporate amounts for the outgoing fiscal year into prior year totals for the incoming fiscal year. Automatic data processing will compute and incorporate such amounts into the following prior year amounts shown in the 20 July report:

(1) Project Type.

(2) Program Amount.

(3) Program Approval amount and date of approval.

(4) Project Approval amount and date of approval and approval authority.

(5) Funding levels.

(6) Obligations.

f. The following budget and budget plus 1 year data shown in the 30 June report will be indicated as current and budget year data in the 20 July report.

(1) Project Type.

(2) Program Amount.

(3) Program Approval Amount and Date (these entries would be applicable only where "N" and "C" program approval for these budget year project types is received prior to publication of the 20 July Report).

(4) Project Approval Amount, Date and Approving Authority (these entries would be applicable only where project approval for budget year "N" project types is received prior to publication of the 20 July Report).


(5) Funding Levels.

(AMCPP)

FOR THE COMMANDER:

SELWYN D. SMITH, JR.
Major General, USA
Chief of Staff

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Chief, Administrative Office

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